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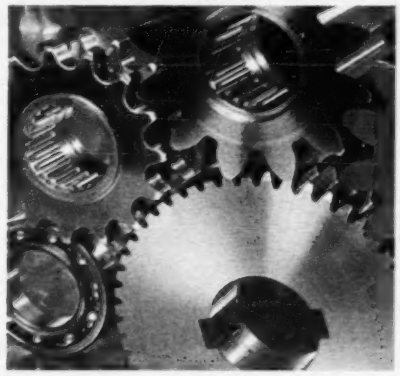
Aboriginal People Living Off-Reserve and the Labour Market: Estimates from the Labour Force Survey, 2007-2015



by Melissa Moyser, PhD

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. not available for any reference period
.. not available for a specific reference period
... not applicable
0 true zero or a value rounded to zero
0^s value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
^{p} preliminary
^{r} revised
x suppressed to meet the confidentiality requirements of the *Statistics Act*
^{E} use with caution
F too unreliable to be published
* significantly different from reference category ($p < 0.05$)

Correction note:

On March 27, 2017, a correction was made in Table 3 of the article entitled "Aboriginal People Living Off-Reserve and the Labour Market: Estimates from the Labour Force Survey, 2007-2015". The average job tenure for the Aboriginal population and non-Aboriginal population is 82.3 months and 94.6 months, respectively, rendering a difference of -12.3 months. The figures for the Aboriginal population and non-Aboriginal population were previously reversed.

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Aboriginal People Living Off-Reserve and the Labour Market: Estimates from the Labour Force Survey, 2007-2015

by **Melissa Moyser, PhD**

Abstract

This report provides an overview of the labour market integration of the off-reserve Aboriginal population in Canada's ten provinces during and after the 2008/2009 economic downturn, as compared to the non-Aboriginal population. Using annual averages from the Labour Force Survey (LFS), covering the period of 2007 to 2015, the main focus is on Aboriginal people in the core working ages (25 to 54 years), although youth (aged 15 to 24 years) and older adults (aged 55 years and older) are considered separately. In addition to Aboriginal group, labour market indicators are distinguished by gender, geography (province/region of residence), education, lone parenthood, and marital status. The distribution of work characteristics (e.g., self-employment, sector of employment, usual work hours, wages, job tenure, industry, and occupation) by Aboriginal status are also explored.

Highlights

- In general, Aboriginal people in Canada have lower participation and employment rates, and a higher unemployment rate, than non-Aboriginal people. The labour market integration of Aboriginal people living off-reserve was affected more severely, and for a longer duration, by the 2008/2009 economic downturn than was that of non-Aboriginal people. However, their employment and participation rates recovered swiftly between 2010 and 2012, reaching pre-recession levels and remaining that way until 2014.
- The period of 2014 to 2015 saw some deterioration in employment, unemployment, and participation rates for the Aboriginal population—both in absolute and relative terms. This deterioration was concentrated among Aboriginal women and First Nations people. Geographically, it was concentrated in Alberta and Quebec.
- Levels of educational attainment were lower among the Aboriginal population, compared to the non-Aboriginal population in 2015. Schooling somewhat insulated Aboriginal people from labour market disadvantage. However, even among those with completed postsecondary education, disparities between Aboriginal and non-Aboriginal people in employment, participation and unemployment rates remained.
- Related to their relatively low levels of educational attainment, Aboriginal people were less likely than their non-Aboriginal counterparts to be employed in so-called "knowledge occupations", which tend to pay higher wages.
- Aboriginal people earned less on average than non-Aboriginal people in 2015, largely due to their lower levels of educational attainment. Among those with a postsecondary certificate/diploma or a university degree, Aboriginal people earned at least as much on average as their non-Aboriginal counterparts.
- In 2015, Aboriginal people with children aged 12 and under were more than twice as likely as non-Aboriginal people to be lone parents. Regardless of Aboriginal group, lone parents had lower rates of labour force participation and employment, and higher rates of unemployment. Among lone Aboriginal parents, this situation was intensified.

Historically, the Aboriginal population in Canada has been disadvantaged in the labour market relative to the non-Aboriginal population: employment and labour force participation rates (as well as earnings) tend to be lower, while unemployment rates tend to be higher (Mendelson, 2004). These trends were exacerbated during the economic downturn of 2008/2009 (Usalcas, 2011). Specifically, according to key labour market indicators (i.e., employment, unemployment and labour force participation rates), Aboriginal people were more affected by the recent recession than their non-Aboriginal counterparts. Furthermore, the labour market participation, employment and unemployment rates of Aboriginal people continued to decline in 2010—even after they had begun to recover for non-Aboriginal people.

At present, it is worthwhile to revisit trends in the labour market integration of the off-reserve Aboriginal population vis-à-vis the non-Aboriginal population, particularly in the aftermath of the recent recession. Annual Labour Force Survey (LFS) data extending to 2015 is now available, allowing for a better assessment of the long-term implications of the 2008-2009 economic downturn.

The objective of this report is to provide up-to-date information on the trajectory of labour market involvement for Aboriginal people since 2007, given the passage of time (i.e., a longer time series). Also documented are disparities between Aboriginal and non-Aboriginal people in terms of employment, unemployment and participation rates, as well as work characteristics (e.g., public/private sector of employment, self-employment, usual hours worked, wages, job tenure, occupation, and industry), using the most recent annual LFS data available.

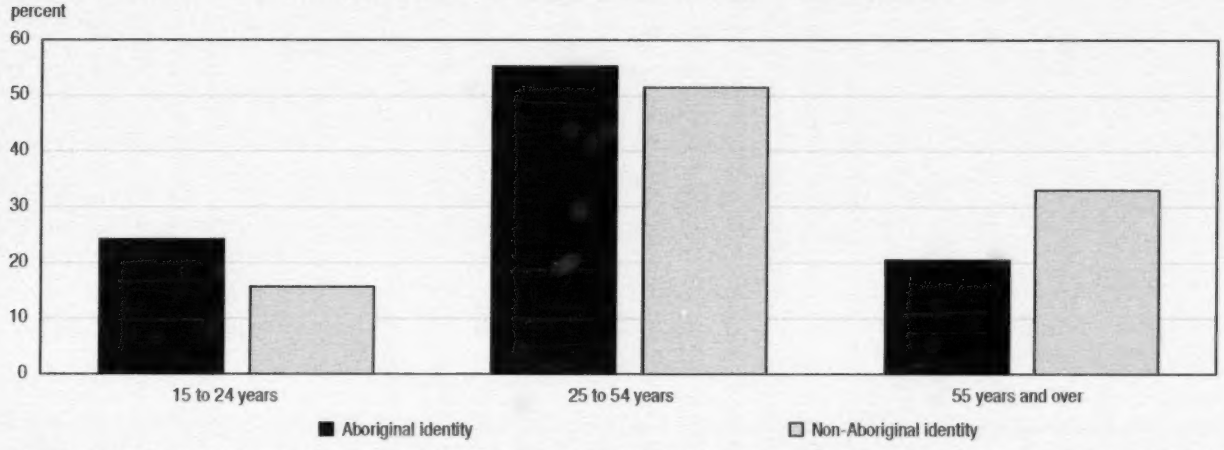
Before turning to the analysis, it is necessary to delineate the demographic parameters of this report.

1 Demographic profile of the Aboriginal and non-Aboriginal populations

1.1 Age structure

The Aboriginal population is younger than the non-Aboriginal population. Based on data from the 2011 National Household Survey (NHS) for the off-reserve population of the provinces, 24.3% of the Aboriginal population were aged 15 to 24, compared to 15.5% of the non-Aboriginal population (Chart 1). The Aboriginal population also had a slightly larger share of individuals in the core working ages of 25 to 54 (55.1%) than the non-Aboriginal population (51.4%). Conversely, the share of the Aboriginal population aged 55 and over was lower at 20.6%, versus 33.1% among the non-Aboriginal population.

Chart 1
Age distribution of the off-reserve population living in the provinces by Aboriginal identity, 2011



Note: The term "Aboriginal identity," as used in the NHS, refers to whether the person reported being (1) an Aboriginal person—that is, First Nations (North American Indian), Métis or Inuk (Inuit); (2) a Registered or Treaty Indian—that is, registered under the Indian Act of Canada; and/or (3) a member of a First Nation or Indian band. For more information on NHS definitions and concepts related to Aboriginal people, consult the *Aboriginal Peoples Reference Guide, National Household Survey, 2011* (catalogue no. 99-011-X2011006).
Source: Statistics Canada, National Household Survey.

To ensure that age differences have limited impact on the comparison of labour market indicators by Aboriginal group, this report focuses on the Aboriginal and non-Aboriginal populations in the core working ages (25 to 54 years). Younger (15 to 24 years) and older (55 years and over) populations are considered separately in Sections 2.12 and 2.13, respectively.

1.2 Geographic restrictions

Although the LFS produces data on the territories, a different methodology is used than in the provinces. As a result, estimates for the territories are not included in the national totals.[1] Also, the LFS target population does not include the population living on Indian reserves and settlements. For these reasons, all information in this report reflects the situation of people living off-reserve in Canada's ten provinces (unless otherwise stated). According to the NHS, 78.0% of the Aboriginal population in the core working ages lived off-reserve in the provinces in 2011.

1.3 Aboriginal groups

The Aboriginal population can be defined in various ways, depending on the perspective and needs of the data user. In the LFS, information on the Aboriginal group to which a respondent and/or members of his/her household belong is collected through the following question, asked when the country of birth was reported to be Canada, the United States or Greenland: "Is ... an Aboriginal person, that is, North American Indian, Métis or Inuit?" A person belongs to an Aboriginal group when he reports being North American Indian (hereafter referred to as First Nations), Métis or Inuit.

The concept of Aboriginal group is distinct from others used in the census, the NHS and the Aboriginal People Survey (APS) because it does not depend on Registered or Treaty Indian status, membership in a First Nation or Indian band, or ancestry. As such, self-identification as belonging to an Aboriginal group for the purposes of the LFS is entirely subjective. It is similar to the concept of "Aboriginal identity" used in the census.

In this report, Aboriginal people include those who reported belonging to one or more Aboriginal groups. When data on First Nations or Métis are presented, they include only those who reported belonging to a single Aboriginal group.

According to the NHS, 1.4 million people had an Aboriginal identity in 2011, representing 4.3% of the total Canadian population. Nearly 61% of the total Aboriginal population identified as First Nations, and 32.3% identified as Métis. The Inuit population is comparatively small, constituting 4.2% of the total Aboriginal population. Almost three-quarters of Inuit lived in Inuit Nunangat, an area stretching from Labrador to the Northwest Territories.[2] As such, there is not a sufficient sample of Inuit in the provincial portion of the LFS to distinguish their labour market integration from that of other Aboriginal groups. However, Inuit are included in the totals for Aboriginal people throughout this report, if they resided in the provinces.

2 Analysis[3]

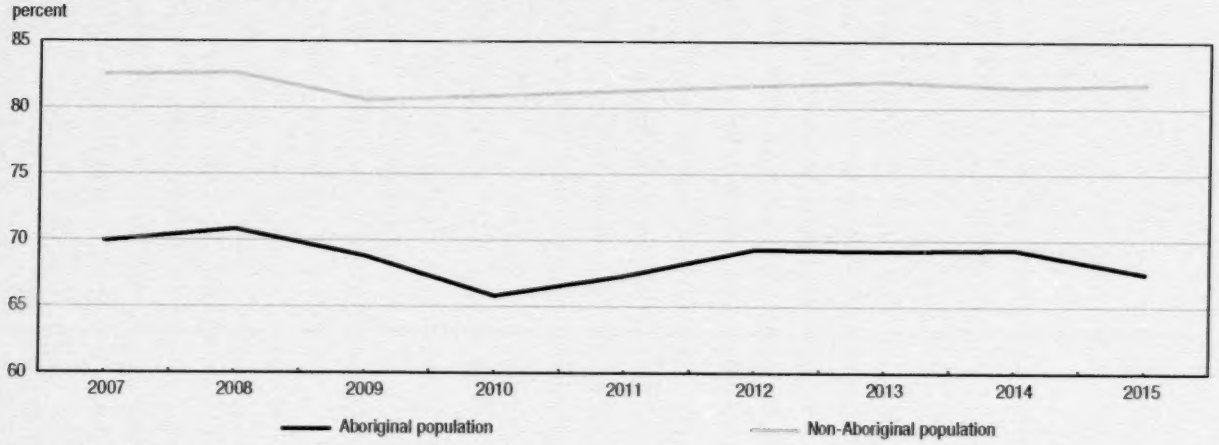
2.1 Changes over time in labour market indicators by Aboriginal status

2.1.1 2008 to 2010: The economic downturn

In 2007, 69.9% of the Aboriginal population in the core working ages was employed, compared to 82.5% of their non-Aboriginal counterparts (Chart 2). This disparity narrowed somewhat from 12.6 percentage points in 2007 to 11.8 percentage points in 2008 and 2009, before widening to 15.1 percentage points in 2010. In effect, the employment rate of Aboriginal people continued to decline in 2010, while the employment rate of non-Aboriginal people had begun a slow recovery.

1. For more information on the methodology used in the territories, please consult the *Guide to the Labour Force Survey* http://www5.statcan.gc.ca/olc-cel/olc.action?objId=71-543-G&objType=2&lang=en&limit=0 (2016), catalogue no. 71-543-G and *Methodology of the Canadian Labour Force Survey* http://www5.statcan.gc.ca/olc-cel/olc.action?objId=71-526-X&objType=2&lang=en&limit=0 (2008), catalogue no. 71-526-X.
2. In 2011, 46.9% (27,860) of Inuit resided in the provinces, with the remaining 53.1% (31,580) living in the territories.
3. Labour force estimates for the Aboriginal population are calculated using an additional adjustment that aligns estimates of the Aboriginal population aged 15 and over with census projections. The Aboriginal population estimates are the results of a projection based on 2011 population counts; they are not population estimates. When possible, the projection was calibrated to reflect recent trends observed for the total Canadian population, but it relies mostly on assumptions about components of growth and, as such, a certain level of uncertainty is associated with it. As an example of the level of uncertainty, the projected Aboriginal population in 2015 varies by 96,000 people between the five scenarios presented in the Statistics Canada report, *Projections of the Aboriginal Population and Households in Canada, 2011 to 2036*.

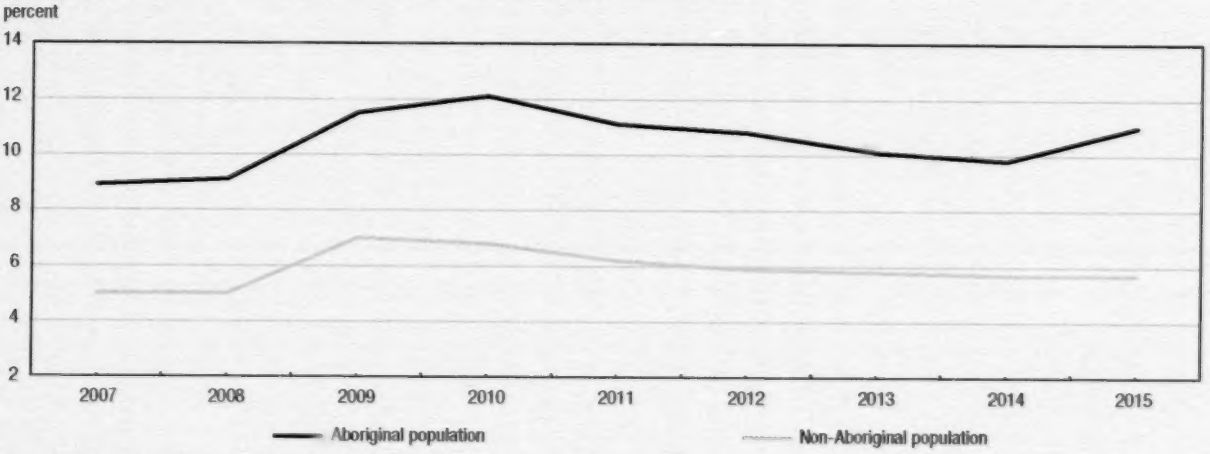
Chart 2
Employment rate of people aged 25 to 54 by Aboriginal group, 2007 to 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226.

A parallel trend can be observed for the unemployment rate from 2007 to 2010 (Chart 3). In 2007, the unemployment rate for Aboriginal people was 8.9%, compared to 5.0% for their non-Aboriginal counterparts—a difference of nearly 4 percentage points. The unemployment rates for both populations were largely unchanged in 2008, before similarly increasing in 2009. While the unemployment rate of the non-Aboriginal population began to decline in 2010, the upward trend in the unemployment rate of the Aboriginal population continued. Consequently, the disparity in unemployment rates between Aboriginal and non-Aboriginal people reached a high of 5.3 percentage points in 2010.

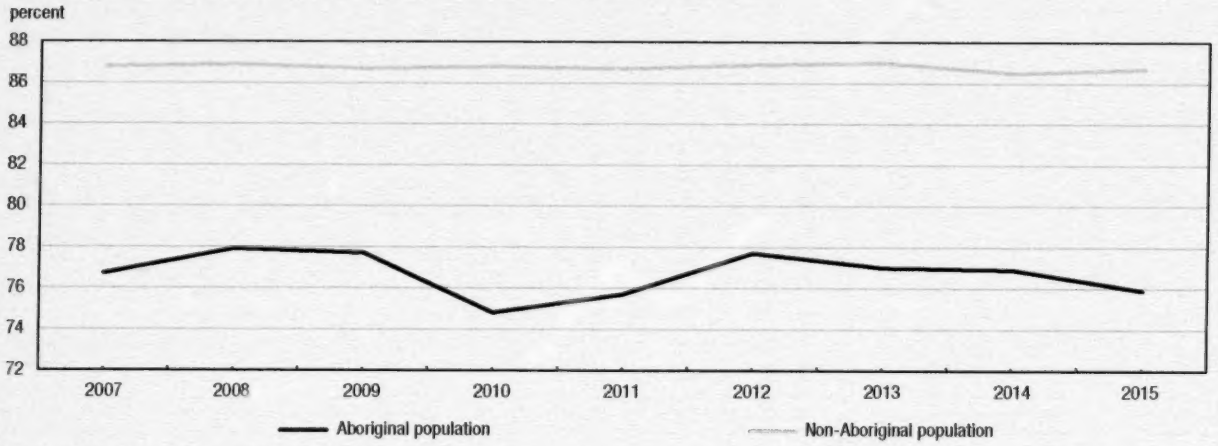
Chart 3
Unemployment rate of people aged 25 to 54 by Aboriginal group, 2007 to 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226.

Likewise, the participation rate of the non-Aboriginal population was fairly stable between 2007 and 2010, hovering just under 87.0% (Chart 4). However, the participation rate of the Aboriginal population increased slightly, from 76.7% in 2007 to approximately 78.0% in 2008 and 2009, before decreasing to 74.8% in 2010. As a result, the disparity in participation rates between Aboriginal and non-Aboriginal people widened from just over 10 percentage points in 2007 to 12 percentage points in 2010.

Chart 4
Participation rate of people aged 25 to 54 by Aboriginal group, 2007 to 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226.

Overall, according to all labour market indicators, the effect of the economic downturn lasted longer for the Aboriginal population than it did for the non-Aboriginal population. As a result, the deleterious effects of the economic downturn on the labour market involvement of Aboriginal people were ultimately more severe, compared to non-Aboriginal people.

2.1.2 2011 to 2014: Nearly complete recovery

Although Aboriginal people were affected for a longer duration, and to a greater extent, by the recent recession than their non-Aboriginal counterparts, their employment and participation rates improved rather swiftly. Specifically, the employment rate of the Aboriginal population increased by 3.5 percentage points over the two-year period from 2010 to 2012, such that it was within 0.6 percentage points of their employment rate for 2007, at 69.3% (Chart 2). In contrast, the employment rate of the non-Aboriginal population increased by 1.1 percentage points over a three-year period from 2010 to 2013, such that it was within half of a percentage point of the employment rate for 2007, at 82.0% (Chart 2). Neither the employment rate of the Aboriginal population, nor that of the non-Aboriginal population had fully recovered to pre-recession levels by 2014, but both were within 1.0 percentage point (Chart 2).

The unemployment rates of the Aboriginal and non-Aboriginal populations decreased at a similar pace between 2011 and 2014, approaching pre-recession levels (Chart 3). By 2014, the unemployment rates of Aboriginal and non-Aboriginal people were less than 1.0 percentage point above the corresponding 2007 figures. Nearly 10.0% of the Aboriginal labour force was unemployed in 2014, compared to 8.9% in 2007; 5.7% of the non-Aboriginal labour force was unemployed in 2014, compared to 5.0% in 2007.

While the participation rate of non-Aboriginal people was largely unaffected by the economic downturn, the participation rate of Aboriginal people mostly recovered from the recession losses during the two-year period from 2010 to 2012, such that it surpassed their participation rate for 2007 and remained that way through 2014 (Chart 4).

2.1.3 2015: Some deterioration

Between 2014 and 2015, labour market indicators have shown some deterioration in the economic well-being of Aboriginal people, both in absolute and relative terms. Their employment rate declined by 1.8 percentage points, from 69.3% in 2014 to 67.5% in 2015. In contrast, the employment rate for the non-Aboriginal population was essentially unchanged at 81.6% in 2014 and 81.8% in 2015. Thus, the disparity in employment rates between the Aboriginal and non-Aboriginal population expanded from 12.3 percentage points in 2014 to 14.3 percentage points in 2015. This disparity is the second largest observed since the LFS began collecting data on the Aboriginal population across Canada in 2007. Only in 2010, when the economic downturn was still impacting the Aboriginal

population, was the disparity in employment rates between Aboriginal and non-Aboriginal people greater than the one observed in 2015.

Similarly, while the unemployment rate of the non-Aboriginal population was unchanged between 2014 and 2015 at 5.7%, it increased by 1.2 percentage points among the Aboriginal population from 9.8% in 2014 to 11.0% in 2015. The disparity in unemployment rates between Aboriginal and non-Aboriginal people in 2015 was equivalent to that observed during the economic downturn in 2010, at 5.3 percentage points.

The participation rate of the non-Aboriginal population was virtually unchanged between 2014 and 2015 at 86.5% and 86.7%, respectively, while it decreased by 1.0 percentage point among the Aboriginal population, from 76.9% in 2014 to 75.9% in 2015. Although the disparity in participation rates between Aboriginal and non-Aboriginal people was larger in 2015 than it was in 2012, it was still smaller than it was in 2010.

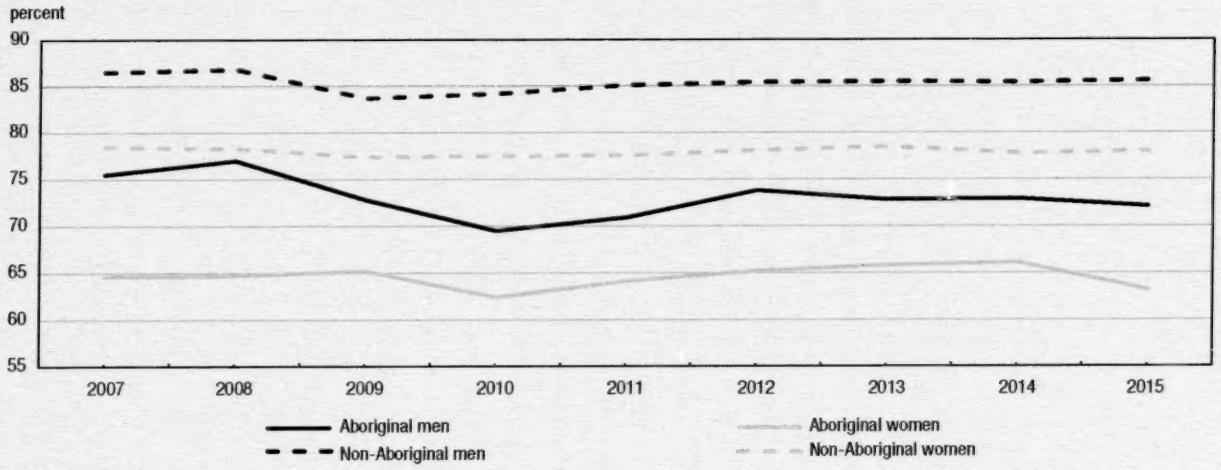
As will be shown in subsequent sections of this report, the deterioration in Aboriginal people's labour market integration between 2014 and 2015 was concentrated among Aboriginal women and First Nations people, while rates of employment, unemployment, and participation for Aboriginal men and Métis were largely unchanged. Geographically, declines in the employment and participation rates of Aboriginal people occurred mainly in Alberta and Quebec, while increases in the unemployment rate occurred mainly in Alberta.

2.2 Analysis by sex

Women generally have lower employment and participation rates than men, as they are more likely to adjust their labour market involvement in a downward fashion to care for children (Beaujot and Ravanera, 2009; Mennino and Brayfield, 2002; Ravenera, Beaujot and Liu, 2009). These gender gaps were marginally wider among the Aboriginal population than the non-Aboriginal population. Yet both groups of women fared better than their male counterparts during the economic downturn. The employment rates of Aboriginal and non-Aboriginal women declined to a lesser extent than those of their male counterparts. In the case of the Aboriginal population, this is because the recession negatively affected the employment of women for a shorter duration than it did the employment of men. Specifically, the employment rate of Aboriginal women declined over a one-year period between 2009 and 2010, while the employment rate of Aboriginal men began to decline one year earlier in 2008 and continued to decline through the following year until 2010. The employment rate had recovered to the 2007 level by 2012 for Aboriginal women, and by 2013 for non-Aboriginal women. In contrast, the employment rates of Aboriginal and non-Aboriginal men had yet to recover from the declines associated with the recession by 2015.

However, between 2014 and 2015, the employment rates of Aboriginal women declined by nearly three percentage points, from 66.1% to 63.2% (Chart 5). At the same time, the employment rates of Aboriginal men, as well as those of non-Aboriginal men and women, were largely unchanged. Consequently, both the employment gap between Aboriginal women and men, and the employment gap between Aboriginal and non-Aboriginal women, widened. Specifically, the difference between the employment rates of Aboriginal men and women increased from 6.8 percentage points in 2014 to 8.9 percentage points in 2015. Over the same period, the difference between the employment rates of Aboriginal and non-Aboriginal women increased from 11.7 percentage points to 14.8 percentage points.

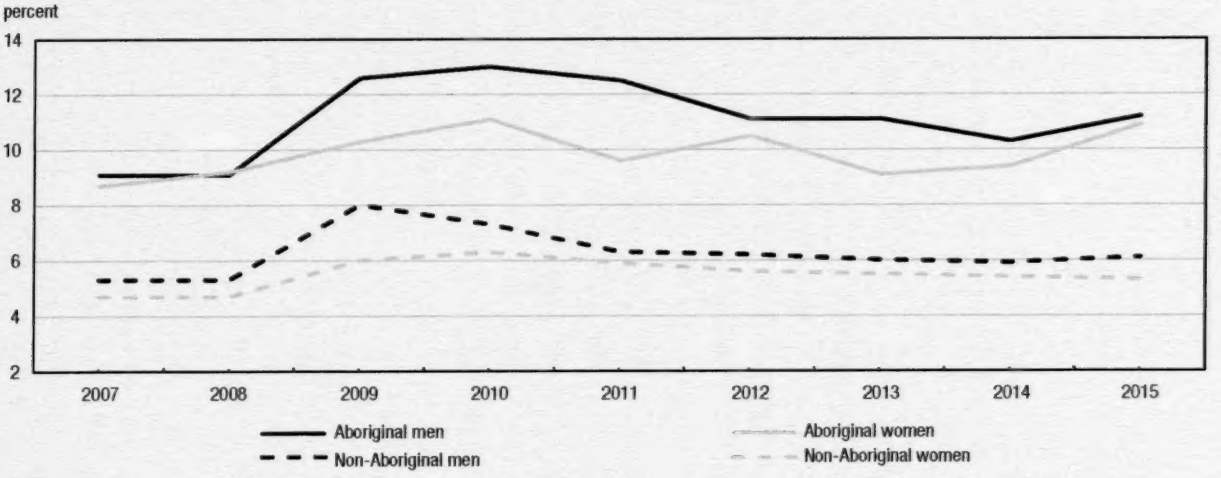
Chart 5
Employment rate of people aged 25 to 54 by Aboriginal group and sex, 2007 to 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226.

Regardless of Aboriginal group, men tend to have higher unemployment rates than women (Chart 6). This gender gap widened in 2009, indicating that men were more affected by the economic downturn than women. After the recession, the gender gap in unemployment rates converged faster among the non-Aboriginal population than it did among the Aboriginal population. In 2015, this gender gap finally converged among Aboriginal people, as a result of the steeper increase in the unemployment rate of Aboriginal women, compared with Aboriginal men.

Chart 6
Unemployment rate of people aged 25 to 54 by Aboriginal group and sex, 2007 to 2015

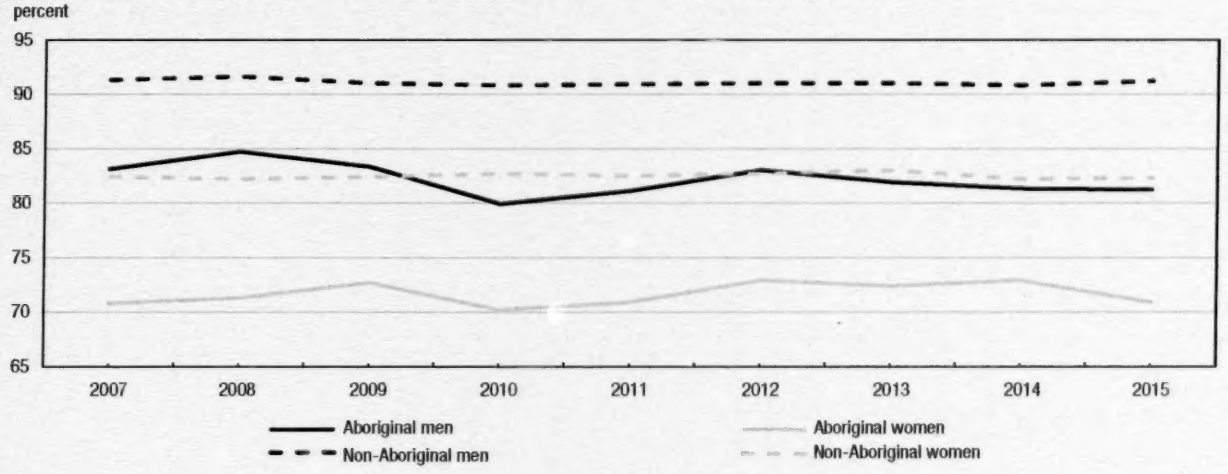


Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226.

As with employment and unemployment rates, Aboriginal men and women were harder hit by the downturn in terms of their participation rates than their non-Aboriginal counterparts, but Aboriginal women less so than Aboriginal men (Chart 7). Consistent with employment rates, the participation rate of Aboriginal women began to decline one year later than of Aboriginal men, so it ultimately declined to a lesser extent. While the participation

rate of Aboriginal men had yet to recover to the 2007 level by 2015, the participation rate of their female counterparts had fully recovered to that level by 2011. The participation rate of Aboriginal women exceeded the 2007 level until 2015, when it decreased by two percentage points from 2014. In contrast, the participation rates of non-Aboriginal men and women have been fairly consistent since 2007.

Chart 7
Participation rate of people aged 25 to 54 by Aboriginal group and sex, 2007 to 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226.

2.3 Detailed Aboriginal groups

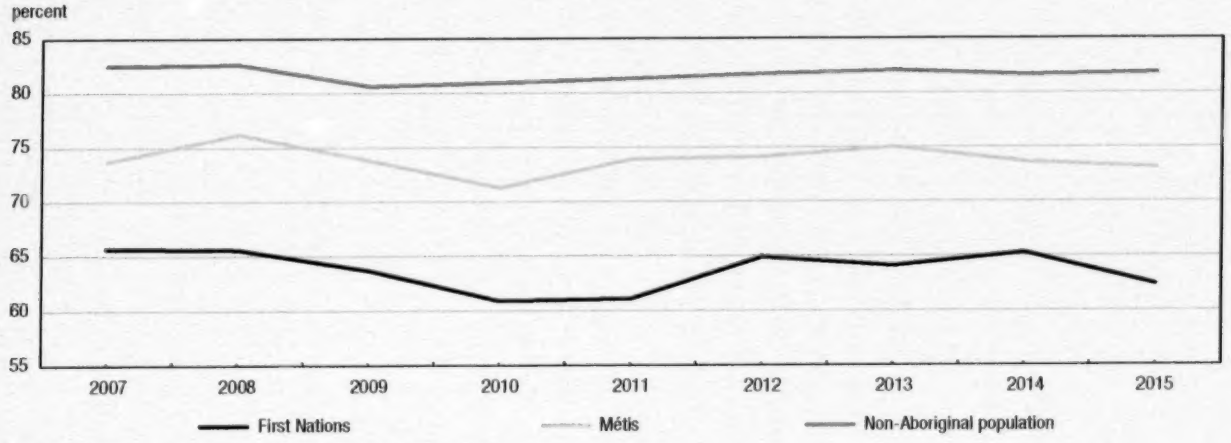
By all measures, from 2007 to 2015, Métis consistently fared better in the labour market than First Nations people, putting their employment, unemployment and participation rates closer to parity with non-Aboriginal people (Charts 8 through 11).[4] This pattern was exacerbated between 2014 and 2015, when labour market indicators for First Nations people declined, while those of Métis and non-Aboriginal people were largely unchanged. Therefore, the recent deterioration of labour market indicators for the Aboriginal population was concentrated among First Nations people.

In 2015, the employment rate for Métis was 73.1%, compared to 62.4% for First Nations people and 81.8% for non-Aboriginal people. The unemployment rate for Métis was 8.8%, while it was 13.2% for First Nations people and 5.7% for non-Aboriginal people. The participation rate for Métis was 80.2%, compared to 71.9% of First Nations people and 86.7% of non-Aboriginal people.

4. Métis tend to have better economic outcomes than their First Nations counterparts for a number of reasons. First, historically, Métis (and Inuit) have been excluded from the *Indian Act*, with an inadvertent consequence being that their access to services and economic opportunities have not been circumscribed by federal oversight as have those of First Nations people. For example, the *Indian Act* once made enfranchisement (loss of status rights) compulsory for any First Nations person obtaining a university degree, becoming a lawyer, priest or minister, or simply leaving the reserve for long periods of time (Section 99(l) of the *Indian Act* of 1880). Further, the *Indian Act* gave designated agents the power to limit the movement of First Nations people off-reserve by requiring them to first obtain a pass stipulating the leave's purpose and duration (the pass system was introduced in 1885). It also required that First Nations farmers obtain a permit to sell their produce, and settlers were prohibited from purchasing goods and services from First Nations farmers (Sections 32 and 33 of the *Indian Act* of 1880).

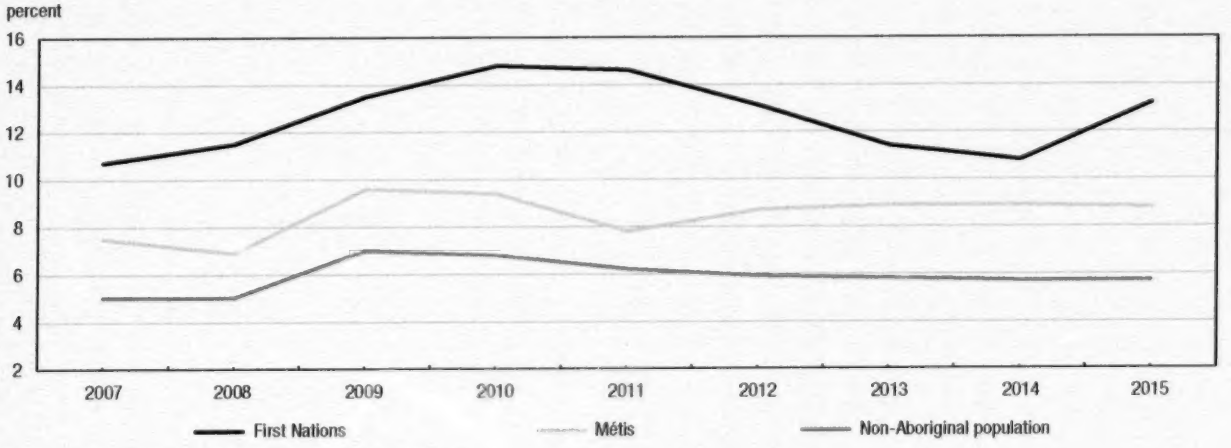
   Second, there has been a notable growth in the number of people reporting an Aboriginal identity in the Canadian census since 1996 that exceeds what would be expected on the basis of population growth and legislative changes alone (Guimond, Kerr and Beaujot, 2004). While all detailed Aboriginal groups (single-identity First Nations, Métis, and Inuit) saw increases from 1996 to 2011, the number of people reporting a Métis identity increased by 148%, compared to 76% and 66% for First Nations and Inuit identities, respectively (author's calculations from the 1996 Census and 2011 National Household Survey). Given that most of the growth in the number of people reporting a Métis identity comes from those who would have formerly reported a non-Aboriginal identity, Métis' higher levels of education and better performance on labour market indicators than their First Nations counterparts may reflect this ethnic mobility.

Chart 8
Employment rate of people aged 25 to 54 by detailed Aboriginal group, 2007 to 2015



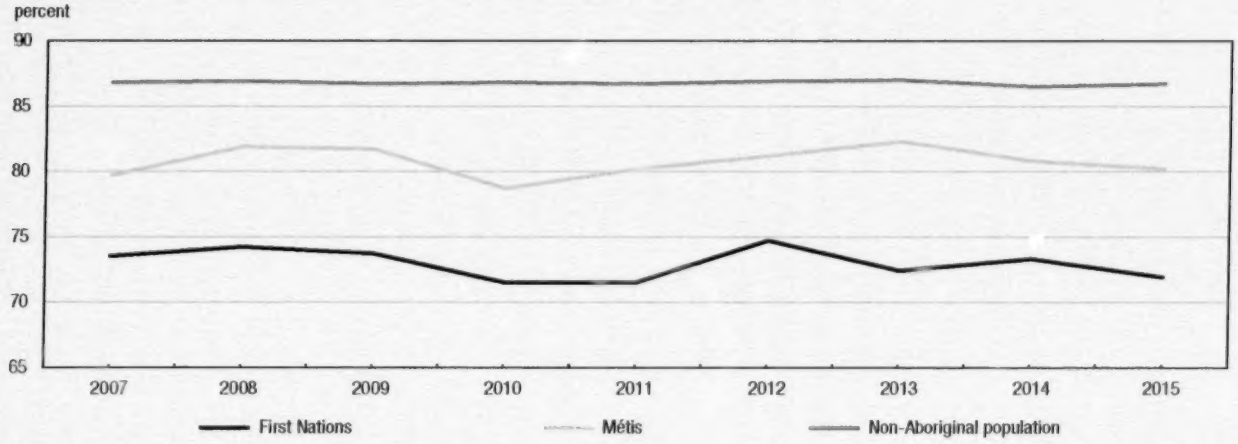
Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0227.

Chart 9
Unemployment rate of people aged 25 to 54 by detailed Aboriginal group, 2007 to 2015



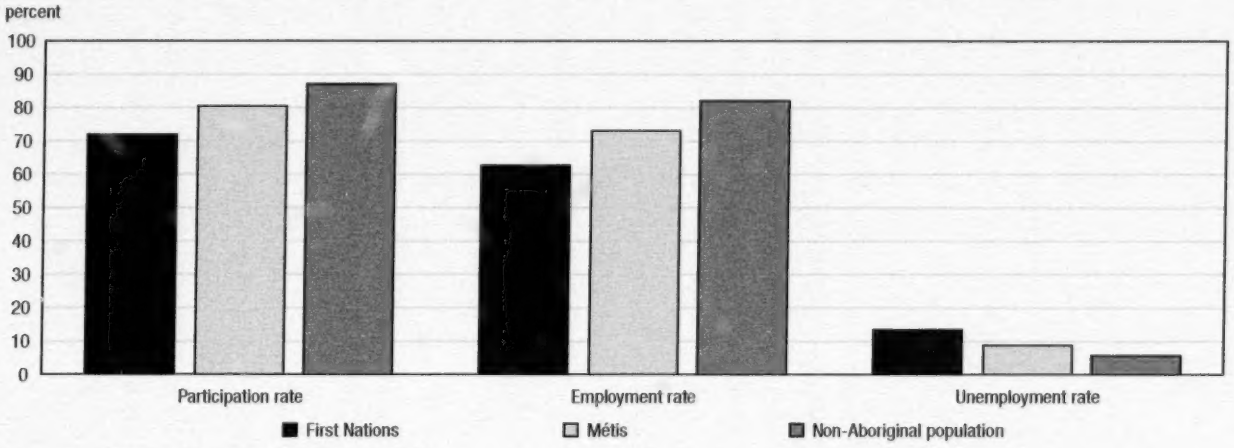
Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0227.

Chart 10
Participation rate of people aged 25 to 54 by detailed Aboriginal group, 2007 to 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0227.

Chart 11
Participation, employment and unemployment rates of people aged 25 to 54 by detailed Aboriginal group, 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0227.

2.4 Distinguishing between the Canadian- and foreign-born among the non-Aboriginal population

Just as the disparity in labour market indicators between Aboriginal and non-Aboriginal people depends on the distinction between First Nations people and Métis among the Aboriginal population, it also depends on the distinction between immigrants and non-immigrants among the non-Aboriginal population.[5] According to the NHS, nearly 26% of the Canadian population aged 25 to 54 was foreign-born in 2011. Immigrants tend to fare poorly in the Canadian labour market, relative to their native-born counterparts (Frennette and Morrisette, 2005; Picot,

5. Besides immigrant status, visible minority status is another relevant distinction to make among the non-Aboriginal population, as non-visible minorities tend to do better in the labour market than their visible-minority counterparts (Block and Galabuzi, 2011; Fou and Coulombe, 2010). However, the LFS does not currently collect data on visible minority status.

2008; Yssaad, 2012).[6] Thus, if we exclude immigrants from the non-Aboriginal population, Aboriginal people's labour market disadvantage increases (Table 1). For example, in 2015, the disparity in employment rates between Aboriginal and non-Aboriginal people was 16.4 percentage points when the foreign-born were excluded from the non-Aboriginal population, versus 14.3 percentage points when the foreign-born were included.

Table 1
Participation, employment and unemployment rates of people aged 25 to 54 by Aboriginal group and immigrant status, 2015

		Non-Aboriginal population			Difference between		
	Aboriginal population	Total	Native-born	Foreign-born	Aboriginal population and non-Aboriginal population, total	Aboriginal population and non-Aboriginal, native-born population	Aboriginal population and non-Aboriginal, foreign-born population
	percent				percentage points		
Participation rate	75.9	86.7	88.6	82.2	-10.8	-12.7	-6.3
Employment rate	67.5	81.8	83.9	76.5	-14.3	-16.4	-9.0
Unemployment rate	11.0	5.7	5.2	6.9	5.3	5.8	4.1

Source: Statistics Canada, Labour Force Survey, custom tabulations.

2.5 Regional analysis

In 2015, the employment rate for Aboriginal people was highest in the Atlantic region at 71.8%, compared to 79.2% for non-Aboriginal people (Table 2). The Atlantic region also had the smallest disparity in employment rates between Aboriginal and non-Aboriginal people observed among the provinces/regions at 7.4 percentage points. This represents a change in the employment distribution of Aboriginal and non-Aboriginal people across the provinces/regions of Canada. From 2007 to 2014, the employment rate for Aboriginal people had been highest in either Alberta or Manitoba, and the gap between the employment rates of Aboriginal and non-Aboriginal people among the smallest in Alberta.

Alberta had the second highest employment rate for Aboriginal people in 2015 at 69.6%, compared to 83.4% for non-Aboriginal people, as well as the second smallest disparity between the employment rates of Aboriginal and non-Aboriginal people (along with Ontario) at 13.8 percentage points. Although Manitoba and Saskatchewan also had fairly high employment rates for Aboriginal people (both at 68.2%), the employment rates for non-Aboriginal people were well above the national average (85.6% and 86.7%, respectively). Consequently, the gap in employment rates between Aboriginal and non-Aboriginal people are among the widest in both provinces, at 17.4 percentage points in Manitoba and 18.5 percentage points in Saskatchewan. Similar provincial/regional patterns exist for participation rates.

The employment rate for Aboriginal people was lowest in Quebec in 2015 at 64.3%, followed closely by British Columbia at 64.7%. The disparity in employment rates between Aboriginal and non-Aboriginal people was also among the widest in these provinces, at 17.9 percentage points in Quebec and 16.6 percentage points in British Columbia.

On the other hand, the unemployment rate for Aboriginal people was highest in British Columbia (12.8%), followed by the Atlantic region (12.3%), Alberta (11.9%), and Saskatchewan (11.0%). The Western provinces also had the widest disparities between the unemployment rates of Aboriginal and non-Aboriginal people.

The Atlantic region has long had one of the highest unemployment rates for Aboriginal people in Canada, but this situation reflects structural conditions in the area, which affect both the Aboriginal and non-Aboriginal populations, albeit not equally.

The number of unemployed Aboriginal people in Alberta represents a new high since 2009, as the unemployment rate jumped from 7.2% in 2014 to 11.9% in 2015 (4.7 percentage points). The unemployment rate of non-Aboriginal people in the province also increased, from 3.7% in 2014 to 5.2% in 2015 (1.5 percentage points), although not to the same extent as did the unemployment rate of Aboriginal people.

6. The extent to which immigrants are economically incorporated depends on many factors, including country of origin, duration in the host country, destination-language proficiency, educational attainment and where schooling was completed, and work experience, particularly in the host country.

In 2015, the unemployment rate for Aboriginal people was lowest in Ontario, followed by Manitoba and Quebec. Ontario also had the smallest gap between the unemployment rates of Aboriginal and non-Aboriginal people among the provinces.

Table 2
Participation, employment and unemployment rates of people aged 25 to 54 by Aboriginal group, province and region, 2015

	Aboriginal population	Non-Aboriginal population	Difference
	percent		percentage points
Participation rate			
Canada	**75.9**	**86.7**	**-10.8**
Atlantic region[1]	81.9	86.3	-4.4
Quebec	72.1	87.9	-15.8
Ontario	74.0	85.7	-11.7
Manitoba	75.9	89.3	-13.4
Saskatchewan	76.6	90.1	-13.5
Alberta	79.0	88.0	-9.0
British Columbia	74.3	85.4	-11.1
Employment rate			
Canada	**67.5**	**81.8**	**-14.3**
Atlantic region[1]	71.8	79.2	-7.4
Quebec	64.3	82.2	-17.9
Ontario	67.2	81.0	-13.8
Manitoba	68.2	85.6	-17.4
Saskatchewan	68.2	86.7	-18.5
Alberta	69.6	83.4	-13.8
British Columbia	64.7	81.3	-16.6
Unemployment rate			
Canada	**11.0**	**5.7**	**5.3**
Atlantic region[1]	12.3	8.3	4.0
Quebec	10.9	6.5	4.4
Ontario	9.2	5.5	3.7
Manitoba	10.2	4.1	6.1
Saskatchewan	11.0	3.8	7.2
Alberta	11.9	5.2	6.7
British Columbia	12.8	4.8	8.0

1. Includes the provinces of Newfoundland and Labrador, Nova Scotia, New Brunswick, and Prince Edward Island.
Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226.

2.6 The economic integration of Aboriginal people and subsequent outcomes

Beyond the conventional labour market indicators of employment, unemployment and participation, there are other telling measures of how Aboriginal people are economically integrated and the subsequent outcomes, including sector of employment, self-employment, job permanence, work hours, job tenure, and earnings.

Self-employment—a proxy for entrepreneurship—was less common among Aboriginal people (10.8%) than it was among non-Aboriginal people (14.7%) in 2015 (Table 3). Aboriginal people were also slightly less likely than non-Aboriginal people to work in the private sector (61.8% vs. 63.0%). Conversely, Aboriginal people were more likely to work in the public sector (27.4%), relative to non-Aboriginal people (22.4%).

In spite of being slightly more likely to be part of a union or covered by a collective agreement, related to their overrepresentation in the public sector, a greater proportion of Aboriginal people were employed on a temporary basis (13.7%) than non-Aboriginal people (9.7%) (Table 3). Aboriginal people worked nearly the same number of usual hours as non-Aboriginal people on average, and they were similar in terms of the likelihood of working on a part-time basis.

Aboriginal employees working full-time earned an average of $26.00 per hour, while their non-Aboriginal counterparts earned an average of $27.41 per hour (Table 3). While their greater likelihood of being in

"precarious" (i.e., temporary) employment may play a role, the wage gap between Aboriginal and non-Aboriginal people is largely related to Aboriginal people's lower levels of educational attainment. Aboriginal people with a postsecondary certificate/diploma or university degree earned at least as much as their non-Aboriginal counterparts.

To the extent that greater job tenure (i.e., seniority) with one's current employer corresponds to a higher wage rate, given the valuation of firm-specific knowledge and experience, the fact that Aboriginal people have lower job tenure than non-Aboriginal people on average (82.3 months vs. 94.6 months) may contribute to their lower earnings (Table 3).

Table 3
Selected employment characteristics of people aged 25 to 54 by Aboriginal group, 2015

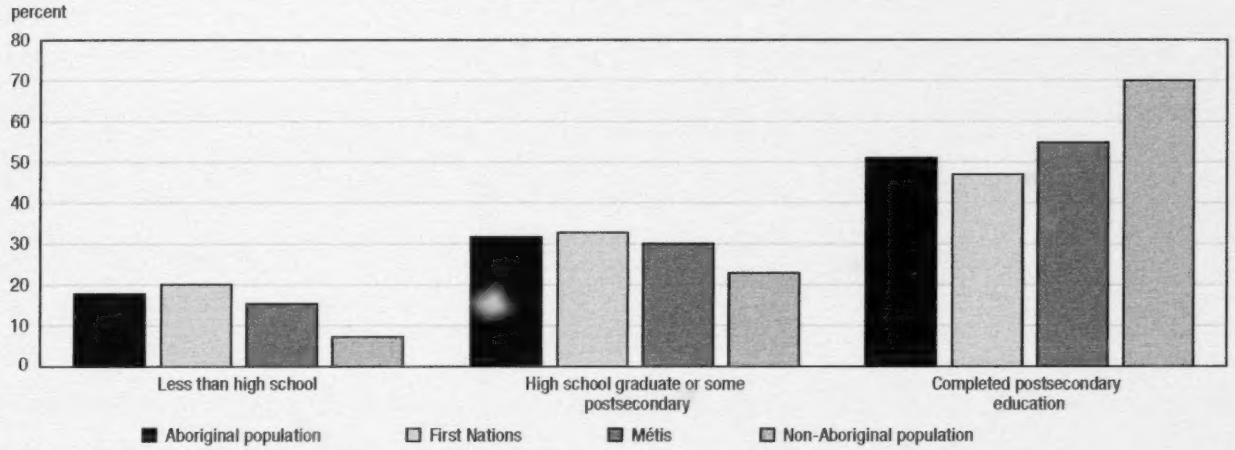
	Aboriginal population	Non-Aboriginal population	Difference
		percent	percentage points
Public sector employees	27.4	22.4	5.0
Private sector employees	61.8	63.0	-1.2
Self-employed	10.8	14.7	-3.9
Multiple jobholders	5.7	5.4	0.3
Employment part-time	13.3	11.9	1.4
Covered by a union or collective agreement	32.5	28.5	4.0
Temporary	13.7	9.7	4.0
		hours	
Average usual weekly hours	37.5	37.2	0.3
		months	
Average job tenure	82.3	94.6	-12.3
		dollars	
Average hourly wage	26.00	27.41	-1.41
0 to 8 years	18.63	19.32	-0.69
Some high school	22.67	21.28	1.39
High school graduate	23.83	23.50	0.33
Some postsecondary school	23.05	24.37	-1.32
Postsecondary certificate/diploma	27.41	26.95	0.46
University degree	33.69	33.36	0.33

Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0233 and custom tabulations.

2.7 Education

Aboriginal people generally have lower levels of educational attainment than non-Aboriginal people, with a more prominent discrepancy for First Nations people than Métis (Chart 12). In 2015, 50.8% of Aboriginal people completed postsecondary education, compared to 69.6% of non-Aboriginal people. Métis fared better than First Nations people with respect to educational attainment, with a greater proportion of them completing a postsecondary education (54.8% vs. 47.1%).

Chart 12
Proportion of people aged 25 to 54 by detailed Aboriginal group and educational attainment, 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0228.

To some extent, higher levels of educational attainment insulate Aboriginal people (as they do non-Aboriginal people) from labour market disadvantage in terms of employment, unemployment and participation rates (Table 4). The employment rate of Aboriginal people who completed postsecondary education was 78.4% in 2015, compared to 42.8% for those with less than high school. Similarly, the unemployment rate of Aboriginal people who completed postsecondary education was 7.9%, compared to 22.0% for those with less than high school.

Furthermore, the disparity in employment, unemployment and participation rates between Aboriginal and non-Aboriginal people narrowed with increasing levels of educational attainment. For example, the difference in the employment rates of Aboriginal and non-Aboriginal people was 17.7 percentage points among those with less than a high school education (42.8% vs. 60.5%), 12.4 percentage points among those with high school or some postsecondary education (63.9% vs. 76.3%), and 7.5 percentage points among those who completed postsecondary education (78.4% vs. 85.9%).

Table 4
Participation, employment and unemployment rates of people aged 25 to 54 by Aboriginal group and educational attainment, 2015

	Aboriginal population	Non-Aboriginal population	Difference
	percent		percentage points
Participation rate			
Total, all education levels	**75.9**	**86.7**	**-10.8**
Less than high school	54.9	67.9	-13.0
High school graduate or some postsecondary	72.9	82.0	-9.1
Completed postsecondary education	85.1	90.3	-5.2
Employment rate			
Total, all education levels	**67.5**	**81.8**	**-14.3**
Less than high school	42.8	60.5	-17.7
High school graduate or some postsecondary	63.9	76.3	-12.4
Completed postsecondary education	78.4	85.9	-7.5
Unemployment rate			
Total, all education levels	**11.0**	**5.7**	**5.3**
Less than high school	22.0	11.0	11.0
High school graduate or some postsecondary	12.3	7.0	5.3
Completed postsecondary education	7.9	4.9	3.0

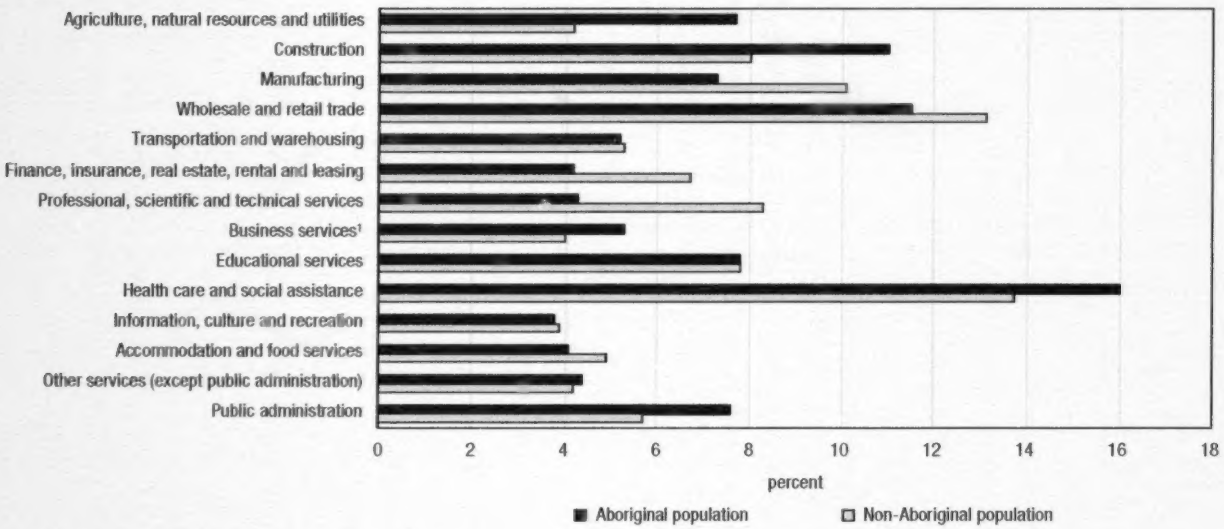
Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0228.

Although the gap between Aboriginal and non-Aboriginal people in labour market indicators narrows with successively higher levels of educational attainment, its existence within educational groups means that lower levels of educational attainment for Aboriginal people cannot fully account for their relatively low employment and participation rates and high unemployment rates.

2.8 Industry

The industries in which Aboriginal and non-Aboriginal people work differ slightly. In 2015, Aboriginal people were overrepresented relative to non-Aboriginal people in agriculture, natural resources and utilities; construction; health care and social assistance; public administration, and business, building and other support services (Chart 13). On the other hand, Aboriginal people were underrepresented in professional, scientific and technical services; manufacturing; finance, insurance, real estate, rental and leasing; and wholesale and retail trade.

Chart 13
Employment distribution of people aged 25 to 54 by Aboriginal group and industry, 2015



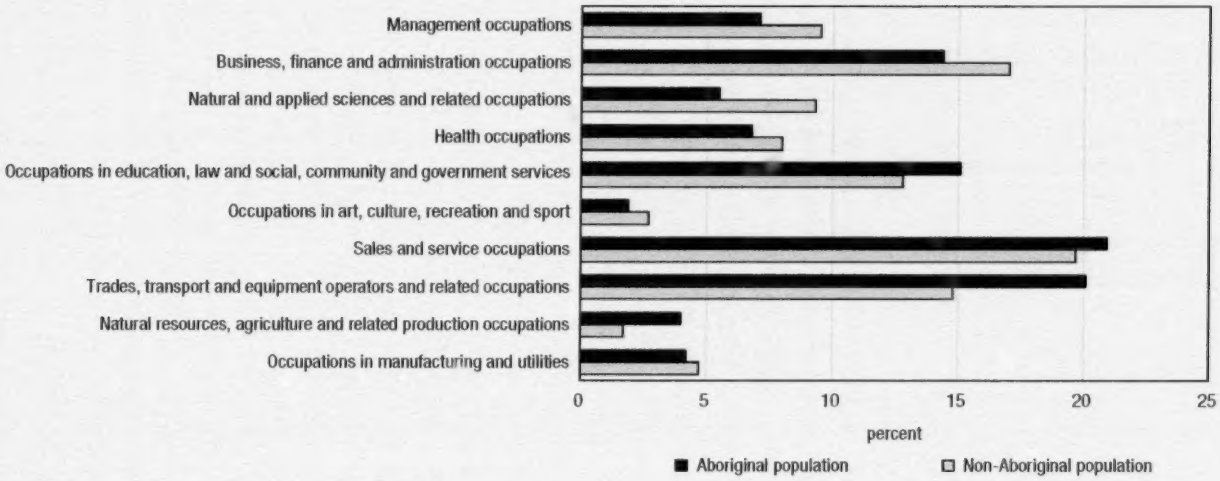
1. Business services also includes building and other support services.
Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0229.

2.9 Occupation

The occupational distribution also differs somewhat between Aboriginal and non-Aboriginal people, with Aboriginal people being underrepresented in so-called knowledge occupations that tend to require higher levels of education and generally pay better (Baldwin and Beckstead, 2003). Specifically, Aboriginal people were less likely than non-Aboriginal people to work in natural and applied sciences and related occupations; business, finance and administration occupations; management occupations; and health occupations (Chart 14). The only group of knowledge occupations in which Aboriginal people are overrepresented is education, law and social, community and government services.

Conversely, Aboriginal people were more likely than non-Aboriginal people to work in trades, transport and equipment operators and related occupations; natural resources, agriculture and related production occupations; occupations in education, law and social, community and government services; and sales and service occupations. Nearly equal proportions of Aboriginal and non-Aboriginal people worked in occupations in manufacturing and utilities.

Chart 14
Employment distribution of people aged 25 to 54 by Aboriginal group and occupation, 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0165.

2.10 Marital status

Aboriginal people were less likely to be married or living common-law (56.2%) than their non-Aboriginal counterparts (68.4%) in 2015. On the other hand, Aboriginal people were more likely to be single—either never married or previously married (separated, divorced or widowed)—than non-Aboriginal people (43.9% vs. 31.6%). People in couples, particularly men, tend to have better employment, unemployment and participation rates than those not in couples, and this effect is exacerbated among the Aboriginal population. For example, the difference between the employment rates of people in couples and those not in couples was 17.3 percentage points among the Aboriginal population, as compared to 7.1 percentage points among the non-Aboriginal population (Table 5). Both Aboriginal and non-Aboriginal men benefit from a greater "marriage premium" in labour market indicators than women (Table 6).[7]

Within groups defined by marital status, disparities in labour market indicators related to Aboriginal group were less for people in couples, especially women, as compared to those not in couples (Tables 5 and 6). Using employment rates as an example, 75.1% of Aboriginal people in couples were employed in 2015, as were 84.0% of their non-Aboriginal counterparts—a difference of 8.9 percentage points (Table 5). Of Aboriginal people not in couples, 57.8% were employed, relative to 76.9% of their non-Aboriginal counterparts—a difference of 19.1 percentage points.

7. While it is clear that marital status plays a role in Aboriginal/non-Aboriginal disparities in employment, unemployment and participation, the mechanism by which this occurs is less obvious. In labour economics, a marriage premium for men in terms of wages is well-established, and it has been attributed by some to differences in job productivity between married and single workers (de Linde Leonard and Stanley, 2015). Alternatively, causality may be reversed, with the characteristics that make one a "good" employee also making him a desirable spouse/partner (Nakosteen and Zimmer, 2001).

Table 5
Participation, employment and unemployment rates of people aged 25 to 54 by Aboriginal group and marital status, 2015

	Married or common-law	Single or previously married	Difference
	percent		percentage points
Participation rate			
Aboriginal population	81.9	68.2	13.7
Non-Aboriginal population	88.1	83.7	4.4
Difference between Aboriginal population and non-Aboriginal population (percentage points)	-6.2	-15.5	...
Employment rate			
Aboriginal population	75.1	57.8	17.3
Non-Aboriginal population	84.0	76.9	7.1
Difference between Aboriginal population and non-Aboriginal population (percentage points)	-8.9	-19.1	...
Unemployment rate			
Aboriginal population	8.3	15.2	-6.9
Non-Aboriginal population	4.6	8.2	-3.6
Difference between Aboriginal population and non-Aboriginal population (percentage points)	3.7	7.0	...

... not applicable
Source: Statistics Canada, Labour Force Survey, custom tabulations.

Table 6
Participation, employment and unemployment rates of people aged 25 to 54 by Aboriginal group, sex and marital status, 2015

	Married or common-law	Single or previously married	Difference
	percent		percentage points
Men			
Participation rate			
Aboriginal population	89.1	71.7	17.4
Non-Aboriginal population	94.4	84.8	9.6
Difference between Aboriginal population and non-Aboriginal population (percentage points)	-5.3	-13.1	...
Employment rate			
Aboriginal population	81.8	60.4	21.4
Non-Aboriginal population	90.3	76.7	13.6
Difference between Aboriginal population and non-Aboriginal population (percentage points)	-8.5	-16.3	...
Unemployment rate			
Aboriginal population	8.1	15.8	-7.7
Non-Aboriginal population	4.4	9.6	-5.2
Difference between Aboriginal population and non-Aboriginal population (percentage points)	3.7	6.2	...
Women			
Participation rate			
Aboriginal population	75.5	64.6	10.9
Non-Aboriginal population	82.2	82.5	-0.3
Difference between Aboriginal population and non-Aboriginal population (percentage points)	-6.7	-17.9	...
Employment rate			
Aboriginal population	69.0	55.2	13.8
Non-Aboriginal population	78.3	77.2	1.1
Difference between Aboriginal population and non-Aboriginal population (percentage points)	-9.3	-22.0	...
Unemployment rate			
Aboriginal population	8.6	14.5	-5.9
Non-Aboriginal population	4.8	6.5	-1.7
Difference between Aboriginal population and non-Aboriginal population (percentage points)	3.8	8.0	...

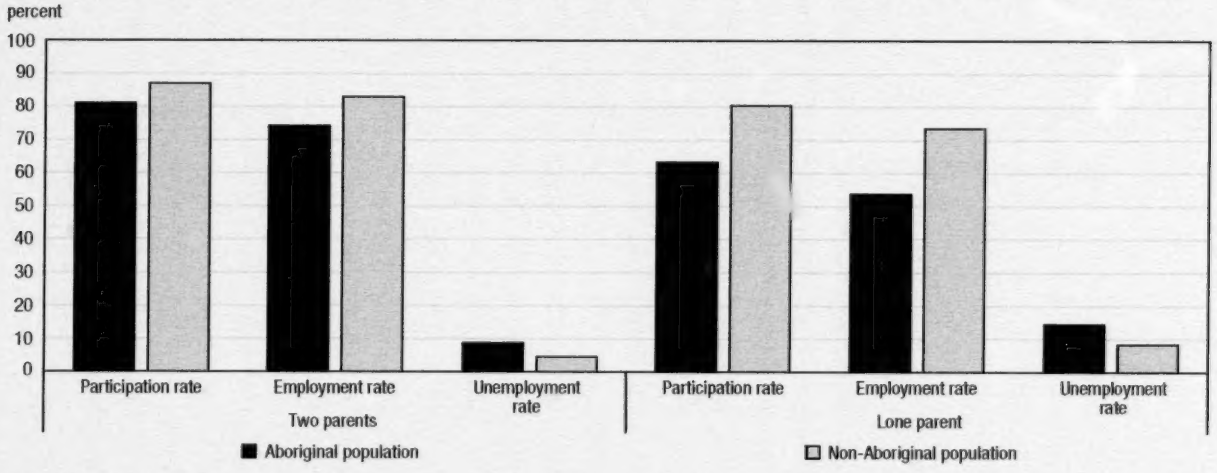
... not applicable
Source: Statistics Canada, Labour Force Survey, custom tabulations.

2.11 Lone parenthood

Lower levels of educational attainment among the Aboriginal population, as compared to the non-Aboriginal population, is one mechanism that has been identified as a possible explanation for the disparity in labour market indicators and outcomes between these groups. Section 2.7 showed that this disparity narrows as one moves up the educational ladder, but it does not disappear, even among those who had completed postsecondary education. Thus, lower levels of educational attainment for Aboriginal people play a role in their labour market disadvantage, relative to non-Aboriginal people, but do not explain the disparity in its entirety.

Another mechanism that has been identified as a possible explanation for the disparity in labour market indicators and outcomes between the Aboriginal and non-Aboriginal populations has to do with the greater prevalence of lone parenthood among the former (National Aboriginal Economic Development Board, 2015). Specifically, in 2015, 22.6% of Aboriginal people with children aged 12 and under were lone parents, compared to 9.3% of non-Aboriginal people. Regardless of Aboriginal group, lone parents—the vast majority of whom are lone mothers—tend to have lower rates of employment and labour force participation, and higher rates of unemployment, due to constraints on their opportunities to pursue full-time work if daycare or after-school care are not readily available and/or affordable. However, lone Aboriginal parents are more disadvantaged than lone non-Aboriginal parents in the labour market (Chart 15). Also, the disparity in participation, employment and unemployment rates between the Aboriginal and non-Aboriginal populations is wider among lone-parent families, as compared to two-parent families.

Chart 15
Participation, employment and unemployment rates of people aged 25 to 54 by Aboriginal group and parental status,[1] 2015



1. With children aged 12 and under.
Source: Statistics Canada, Labour Force Survey, custom tabulations.

2.12 LFS north: Labour market indicators for Aboriginal people in the territories

The LFS has been conducted in Yukon since 1991 and in the Northwest Territories and Nunavut since 2000. While a nearly-identical questionnaire is used in the territories, a different sampling strategy and rotation pattern is employed, given the challenges involved in conducting a survey that covers many small, scattered and remote communities. For this reason, labour force data for the territories are presented separately from the provinces.[8]

Labour market indicators for the territories reveal that Aboriginal people in Yukon and the Northwest Territories fared better than did their counterparts in the provinces (Table 7). However, in Nunavut, Inuit people had lower

8. Statistics Canada. 2016. *Guide to the Labour Force Survey* http://www5.statcan.gc.ca/olc-cel/olc.action?objId=71-543-G&objType=2&lang=en&limit=0. Ottawa: Statistics Canada. Catalogue no. 71-543-G.

participation and employment rates and a higher unemployment rate than did Aboriginal people in both the provinces and the other territories.

Compared to non-Aboriginal/non-Inuit people in each of the territories, Aboriginal/Inuit people had lower participation and employment, and higher unemployment rates. This disparity was greater in Nunavut than it was in both the provinces and the other territories. The Aboriginal/non-Aboriginal disparity in labour market indicators was also larger in the Northwest Territories, compared to the provinces, while it was slightly smaller in Yukon.

Table 7
Participation, employment and unemployment rates of people aged 25 to 54 by Aboriginal group and territory, 2015

	Aboriginal population	Non-Aboriginal population	Difference
	percent		percentage points
Participation rate			
Nunavut	67.2	93.6	-26.4
Yukon	80.8	90.4	-9.6
Northwest Territories	82.9	94.3	-11.4
Rest of Canada	75.9	86.7	-10.8
Employment rate			
Nunavut	54.1	92.5	-38.4
Yukon	73.1	86.4	-13.3
Northwest Territories	70.7	93.3	-22.6
Rest of Canada	67.5	81.8	-14.3
Unemployment rate			
Nunavut	19.5	0.0	19.5
Yukon	9.5	4.4	5.1
Northwest Territories	14.7	0.0	14.7
Rest of Canada	11.0	5.7	5.3

Source: Statistics Canada, Labour Force Survey, custom tabulations.

2.13 Youth

The term "youth" refers to individuals aged 15 to 24 years.[9] Since school attendance tends to limit the labour market participation of young adults, it is necessary to take differences in school attendance between the Aboriginal and non-Aboriginal populations into account. Fewer Aboriginal youth (41.5%) attended school than non-Aboriginal youth (50.7%) in 2015. For this reason, employment, unemployment and participation rates may vary between these groups (and their core-age counterparts) on the basis of school attendance and the age at which education was completed.

Young people often find labour market integration challenging, as evidenced by their high rates of unemployment relative to people in the core ages. Aboriginal youth are not immune to these challenges. Nearly 19.0% of the Aboriginal youth labour force was unemployed in 2015, compared to 11.0% of their counterparts in the core ages. Likewise, 13.0% of the non-Aboriginal youth labour force was unemployed in 2015, compared to 5.7% of their counterparts in the core ages. The difference between the unemployment rates of youth and people in the core ages was more or less equivalent among the Aboriginal and non-Aboriginal populations, at around 7.5 percentage points.

Nearly half of Aboriginal youth were employed in 2015, compared to 67.5% of their counterparts in the core ages, and 61.3% of Aboriginal youth participated in the labour market, compared to 75.9% of their counterparts in the core ages. The difference between the employment and participation rates of youth and people in the core ages was less pronounced among the Aboriginal population, relative to the non-Aboriginal population. While the proportion of employed Aboriginal youth was 17.7 percentage points less than the proportion of employed

9. Some commentators (e.g., Cross, 2015) have highlighted the fact that "youth" encompasses two distinct age groups—teenagers (aged 15 to 19 years) and twenty-somethings (aged 20 to 24 years)—with divergent labour market outcomes. Specifically, teenagers have much lower labour force participation and employment rates, and much higher unemployment rates, than twenty-somethings. Given that the United Nations (UN) defines youth as consisting of people aged 15 to 24 years, we retain this demarcation for statistical consistency internationally.

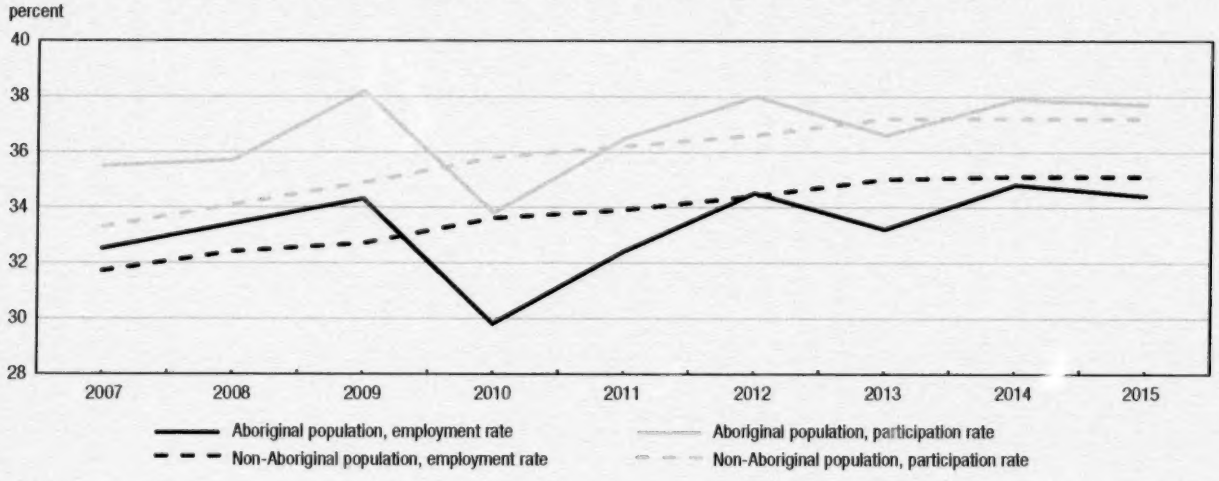
Aboriginal people in the core ages, the equivalent figure for the non-Aboriginal population was 25.8 percentage points. In a similar vein, while the proportion of the Aboriginal youth who participated in the labour market was 14.6 percentage points less than the proportion of Aboriginal people in the core ages who participated in the labour market, the equivalent figure for the non-Aboriginal population was 22.3 percentage points.

The labour force participation and employment disadvantage of Aboriginal people vis-à-vis non-Aboriginal people was less among youth than it was among the core ages. The participation rate for Aboriginal youth was 3.1 percentage points lower than that for their non-Aboriginal counterparts, while the participation rate for Aboriginal people in the core ages was 10.8 percentage points lower than that for their non-Aboriginal counterparts. Similarly, the employment rate for Aboriginal youth was 6.2 percentage points lower than that for their non-Aboriginal counterparts, while the employment rate for Aboriginal people in the core working ages was 14.3 percentage points lower than their non-Aboriginal counterparts.

2.14 Older adults

Labour force participation tends to decline starting around the age of 55 years and beyond, as increasing numbers of people retire from the "daily grind" of working. Following the latest economic downturn, however, more mature adults are remaining in the labour force longer, likely so that they can continue to accumulate additional retirement savings, forestall withdrawing funds from savings, and/or retain access to employment-based supplementary health insurance (Copeland, 2014). This upward trend in participation and employment can be observed among both Aboriginal and non-Aboriginal people aged 55 years and over, but it has been more consistent among non-Aboriginal people (Chart 16).

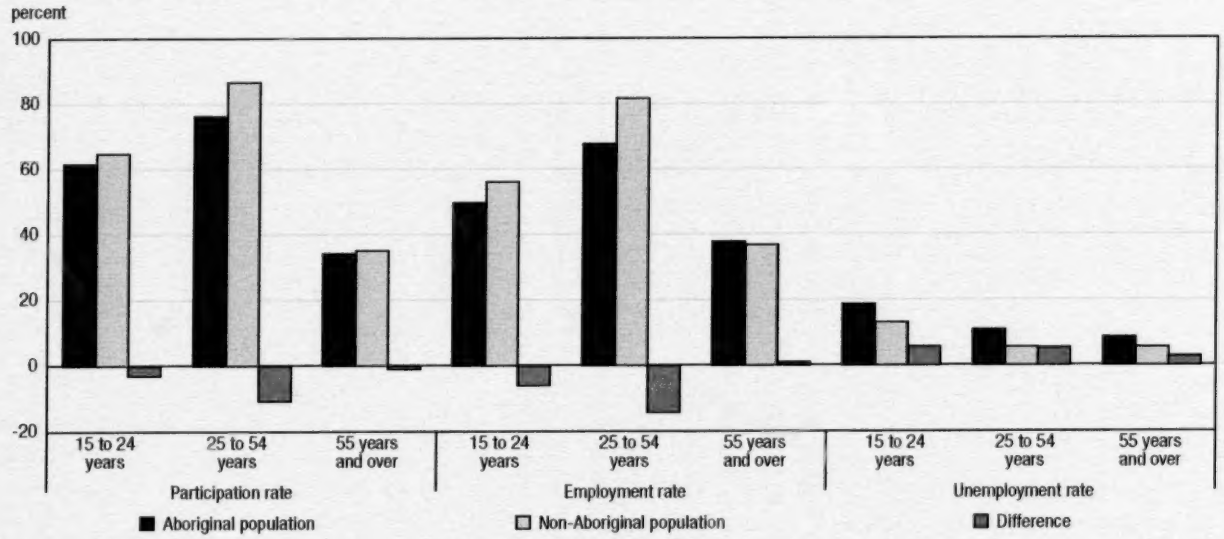
Chart 16
Employment and participation rates of people aged 55 years and older by Aboriginal group, 2007 to 2015



Source: Statistics Canada, Labour Force Survey, custom tabulations.

The disparity in labour market indicators between Aboriginal and non-Aboriginal people tends to be much narrower among older adults, compared to the core working ages (as well as young adults). In 2015, the employment rate of Aboriginal people aged 55 years and older was 34.4%—nearly equivalent to that of their non-Aboriginal counterparts at 35.1% (Chart 17). The same can be said for participation rates: 37.7% of older Aboriginal people participated in the labour market, as did 37.2% of older non-Aboriginal people. Although more Aboriginal people aged 55 years and older were unemployed than their non-Aboriginal counterparts (8.6% vs. 5.7%), the disparity was 2.9 percentage points, compared to 5.3 percentage points among the core working ages.

Chart 17
Participation, employment and unemployment rates by Aboriginal group and age group, 2015



Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0226 and custom tabulations.

3 Labour market indicators for Aboriginal people living on reserve: Estimates from the 2011 National Household Survey

Since the target population for the LFS excludes persons living on reserves and other Aboriginal settlements in the provinces, an alternative source of data is used to determine the labour market outcomes of their residents. The 2011 National Household Survey (NHS) is relevant in this regard. Using these data, and removing members of the Armed Forces as well as residents of the territories for comparability with the LFS, key labour market indicators were computed for people aged 25 to 54 by Aboriginal identity and area of residence (i.e., on reserve vs. off-reserve). Both Aboriginal and non-Aboriginal people fared worse with respect to all labour market indicators when they lived on reserve, as opposed to off-reserve (Table 8). However, this situation was exacerbated among Aboriginal people. For example, the employment rate for Aboriginal people living on reserve was 47.3% in 2011, compared to 71.1% for their counterparts living off-reserve—a difference of 23.8 percentage points. On the other hand, for non-Aboriginal people, the employment rate was 68.8% for those living on reserve and 82.1% for those living off-reserve—a difference of 13.3 percentage points.

Aboriginal/non-Aboriginal disparities in labour market indicators were also greater among those who live on reserve as opposed to off-reserve. For example, among those living on reserve, the employment rate for Aboriginal people was 21.5 percentage points lower than the employment rate for non-Aboriginal people. Among those living off-reserve, the employment rate for Aboriginal people was 11 percentage points lower than the employment rate for non-Aboriginal people. Area of residence in relation to reserves is clearly an important determinant of labour market outcomes, especially among Aboriginal people.

Table 8
Participation, employment and unemployment rates of the civilian population aged 25 to 54 by Aboriginal group, 2011

	Aboriginal population			Non-Aboriginal population		
	On reserve	Off-reserve	Difference	On reserve	Off-reserve	Difference
	percent		percentage points	percent		percentage points
Participation rate	61.9	79.5	-17.6	78.0	87.1	-9.1
Employment rate	47.3	71.1	-23.8	68.8	82.1	-13.3
Unemployment rate	23.6	10.6	13.0	11.8	5.8	6.0

Source: Statistics Canada, National Household Survey, custom tabulations.

4 Summary

The economic downturn of 2008/2009 affected the labour market integration of Aboriginal people living off-reserve more severely, and for a longer duration, than non-Aboriginal people. However, their employment and participation rates recovered swiftly between 2010 and 2012, such that they reached pre-recession levels and remained that way through to 2014.

Between 2014 and 2015, the employment, unemployment, and participation rates for the Aboriginal population deteriorated to some extent, compared to both the preceding post-recession years and the non-Aboriginal population. This deterioration was concentrated among Aboriginal women, First Nations people, and people living in Alberta.

Aboriginal people had lower levels of educational attainment than their non-Aboriginal counterparts in 2015. To some extent, schooling insulated Aboriginal people from labour market disadvantage, as measured by labour market indicators. Yet, even among those with completed postsecondary education, disparities between Aboriginal and non-Aboriginal people in employment, participation and unemployment rates remained.

Aboriginal people were less likely than non-Aboriginal people to be employed in so-called "knowledge occupations", which generally require higher levels of education and tend to pay higher wages. Indeed, Aboriginal people earned less on average than non-Aboriginal people in 2015, largely due to their lower levels of educational attainment. Among those with a completed postsecondary education, Aboriginal people earned at least as much on average as their non-Aboriginal counterparts.

Other indicators of economic integration reveal that, compared to non-Aboriginal people, Aboriginal people were less likely to be self-employed in 2015; less likely to work in the private sector, but more likely to work in the public sector; and more likely to be covered by a union or collective agreement, yet also more likely to be employed on a temporary basis. Although Aboriginal and non-Aboriginal people worked virtually the same number of usual hours on average, Aboriginal people were more likely to be employed on a part-time basis. Aboriginal people had less job tenure with their current employer on average than non-Aboriginal people.

In 2015, Aboriginal people were less likely to be married or living common-law than non-Aboriginal people. Individuals in couples performed better on labour market indicators than did their counterparts who were not in couples, with this effect being stronger among Aboriginal people. Also, disparities in employment, unemployment and participation rates between Aboriginal and non-Aboriginal people were less among those who were in couples.

Aboriginal people with children aged 12 and under were more than twice as likely as non-Aboriginal people to be lone parents in 2015. Both Aboriginal and non-Aboriginal lone parents (mostly lone mothers) had lower rates of labour force participation and employment, and higher rates of unemployment. However, lone Aboriginal parents were even worse off in this regard than their non-Aboriginal counterparts.

The disparity between Aboriginal and non-Aboriginal people in employment and participation rates was much less among youth, compared to individuals is the core working ages. Among older people, this disparity in labour market indicators was even smaller, at less than one percentage point for each type of rate.

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